

Upper Audubon Security District
New Orleans, Louisiana

Annual Financial Statements
And Accompanying Compilation Report

Year Ended December 31, 2010

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Section I

PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Accountant's Compilation Report

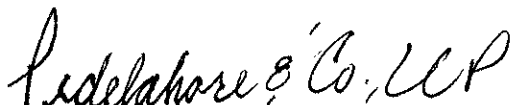
To the Board of Commissioners
Upper Audubon Security District
New Orleans, Louisiana

We have compiled the accompanying cash basis financial statements of Upper Audubon Security District (the Security District) as of and for the year ended December 31, 2010, which collectively comprise the Security District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

The management of the Security District is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Security District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Security District's assets, liabilities, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.



August 7, 2012

Section II

Financial Statements – Governmental Funds

Upper Audubon Security District
Statement Of Assets, Liabilities And Fund Balance - Cash Basis
December 31, 2010

Assets

Cash	\$ 78,172
Total assets	<u>\$ 78,172</u>

Liabilities And Fund Balance

Total liabilities	<u>\$ -</u>
Fund balance - unreserved and undesignated	<u>78,172</u>
Total liabilities and fund balance	<u>\$ 78,172</u>

See accountant's compilation report.

Upper Audubon Security District
Statement Of Revenues, Expenditures And
Changes In Fund Balance - Cash Basis
For The Year Ended December 31, 2010

Revenues

Parcel fees (net of collection fees)	\$ 168,956
Interest earned	<u>264</u>
Total revenues	<u>169,220</u>

Expenditures

Patrol cost	167,567
Insurance	-
Accounting and administration	-
Contingency	<u>-</u>
Total expenditures	<u>167,567</u>

Net Change In Fund Balance	1,653
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Fund Balance At Beginning Of Year	<u>76,519</u>
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Fund Balance At End Of Year	<u><u>\$ 78,172</u></u>
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See sccountant's compilation report.

Upper Audubon Security District
Statement Of Revenues, Expenditures, And
Changes In Fund Balance - Budget And Actual - Cash Basis
For the Year Ended December 31, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> Favorable (Unfavorable)	<u>%</u> <u>Variance</u>
Revenues				
Parcel fees (net)	\$ 175,680	\$ 168,956	\$ (6,724)	
Interest earned	<u>-</u>	<u>264</u>	<u>264</u>	
Total revenues	<u>175,680</u>	<u>169,220</u>	<u>(6,460)</u>	-3.7
Expenditures				
Patrol cost	168,000	167,567	433	
Insurance	2,500	-	2,500	
Accounting and administration	2,500	-	2,500	
Contingency	<u>2,680</u>	<u>-</u>	<u>2,680</u>	
Total expenditures	<u>175,680</u>	<u>167,567</u>	<u>8,113</u>	4.6
Net Change In Fund Balance	-	1,653	1,653	
Fund Balance At Beginning Of Year	<u>76,519</u>	<u>76,519</u>	<u>-</u>	
Fund Balance At End Of Year	<u>\$ 76,519</u>	<u>\$ 78,172</u>	<u>\$ 1,653</u>	

See accountant's compilation report.

Other Schedules

Upper Audubon Security District
Schedule Of Current And Prior Years Findings With
Management's Response And Planned Corrective Action
Year Ended December 31, 2010

Current Year Findings:

Finding 2010-1: Budget Adoption Procedures

Criteria:	The Local Government Budget Act (R.S. 39:1301) requires the adoption of the annual budget in an open meeting and the opportunity for public inspection.
Condition:	The Security District was unable to supply a copy of the minutes for the meeting whereby the budget was shown to be approved in an open meeting.
Cause:	The Security District delayed until late 2011 the request for the services of a CPA firm to compile their financial statements for 2010. Due to this delay, the Security District could no longer access a copy of their minutes for the 2009 meeting whereby the 2010 budget was adopted.
Effect:	Noncompliance with the Local Government Budget Act.
Recommendation:	We recommend that the Commissioner responsible for maintaining meeting and budget records keep copies of such records in a secure location such as in a permanent record file and/or on the Security District's website.
Management's response and planned corrective action:	The President of the Security District concurs with the finding and will take the necessary steps to properly retain meeting and budget records.

Finding 2010-2: State Reporting (See Finding 2009-2)

Criteria:	Louisiana state audit law (R.S. 24:513) requires that governmental entities complete and file their audit, review/attestation or compilation reports with the Legislative Auditor's Office within six months of the close of the entity's fiscal year.
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Upper Audubon Security District
Schedule Of Current And Prior Years Findings With
Management's Response And Planned Corrective Action
Year Ended December 31, 2010

Condition:	The Security District did not meet the reporting and filing due date of June 30, 2011.
Cause:	The Security District did not contact a CPA firm to compile their financial statements for 2010 until after the filing due date.
Effect:	Noncompliance with the reporting and filing audit laws.
Recommendation:	We recommend that the Security District decide on an accounting firm to conduct the annual compilation by December in the year for which the compilation is needed.
Management's response and planned corrective action:	The President of the Security District concurs with the findings and will make timely arrangements for future compilation engagements.

Section II – Management Letter

Finding 2010-3: Revenue and Budgetary Control and Monitoring (See Finding 2009-3)

Condition:	The Security District does not receive sufficient information to fully evaluate collected and uncollected revenue in order to adequately monitor the budget throughout the year.
Recommendation:	We recommend that the Security District request a report from the City of New Orleans, Treasury Department that indicates the amount of parcel fees billed and the amount collected during the year. We also recommend that the Security District request a report from the Assessor that indicates the number of taxable parcels for the year. Knowing the actual number of taxable properties provides the analytical data to further evaluate collected and uncollected revenue for a given year. Also, the Security District may consider requesting this information no less than annually (in September or October) in order to have meaningful information in sufficient time for budgetary planning purposes.

Upper Audubon Security District
Summary Schedule Of Current And Prior Year Findings With
Management's Response And Planned Corrective Action
Year Ended December 31, 2010

Management's
response and
planned corrective
action:

The President concurs with the finding and will endeavor to obtain the information from the City Treasurer and the Parish Assessor.

Prior Year Findings:

Finding 2009-1: Budgetary Compliance

Criteria: The Local Government Budget Act (R.S. 39:1301) requires amending a budget when total actual revenue plus projected revenue for the remainder of the year fails to meet budgeted revenues by five percent (5%) or more or when total actual expenditures plus projected expenditures for the remainder of the year fails to meet budgeted expenditures by five percent (5%) or more.

Status: Resolved. The Security District's actual revenue for 2010 was less than budgeted revenues by 3.7%, i.e., within the 5% requirements.

Finding 2009-2: State Reporting

Criteria: Louisiana state audit law (R.S. 24:513) requires that governmental entities complete and file their audit, review/attestation or compilation reports with the Legislative Auditor's Office within six months of the close of the entity's fiscal year.

Status: Unresolved – See Finding 2010-2. (The Security District requested the services of a CPA firm for both the 2009 and 2010 report at the same time which was after the 2010 reporting and filing due date of June 30, 2011.)

Upper Audubon Security District
Summary Schedule Of Current And Prior Year Findings With
Management's Response And Planned Corrective Action
Year Ended December 31, 2010

Section II – Management Letter

Finding 2009-3: Revenue and Budgetary Control and Monitoring

Condition: The Security District does not receive sufficient information to fully evaluate collected and uncollected revenue in order to adequately monitor the budget throughout the year.

Status: Unresolved - See Finding 2010-3.